



HYUNDAI

CARS THAT MAKE SENSE

Dhaka seeks larger quantum of soft loan assistance from ADB

A visiting senior executive of the Asian Development Bank who is a Japanese national said prevailing volatile politics in Bangladesh was scaring away many a potential investors of Japan, reports UNB.

Meeting with Finance Minister M Saifur Rahman here yesterday Shigee Kashiwagi, Executive Director of ADB, raised the issue of frequent hartals and strikes which, he said, were dampening the interest of a good number of eager Japanese investors.

Saifur Rahman, reciprocating, told the visitor that politics was an "inherent substance of our society where hartals and strikes are short term phenomena that arise during pre-election time." He contended that investment in any country should be viewed from a long-term perspective.

On ADB-Bangladesh relations, the Finance Minister sought the bank's participation in larger projects. He argued that a significant portion of the project aid was usually spent on technical assistance head which sometimes makes smaller projects unworthy.

The Finance Minister further requested the visiting ADB official to expedite the consultancy and procurement process to avoid unwanted delay in project implementation.

Rahman also pleaded for larger quantum of soft-loan assistance from the Asian Bank, saying Bangladesh deserves increased loan because of its population size.

The Finance Minister

stressed immediate replenishment of the ADF (Asian Development Fund) VII, the soft-lending window of ADB by donors. Soft-loan assistance from ADB was playing a significant role in poverty alleviation programmes in developing countries, including Bangladesh, he said.

The ADB Executive Director assured the minister of conveying Bangladesh's proposals to the concerned authorities.

ADB has disbursed a total of 3.10 billion US dollars as

project aid to Bangladesh out of its commitment of 4.4 billion till June this year. Of the 112 ADB-aided projects, 75 have been completed and 37 are ongoing.

Lending during the 1980s remained relatively stable at 230 million US dollar a year but showed downturn during the last three years.

Total loan approved for this fiscal year stood at 224 million dollars against 285 million in 1993 and 331 million in 1994. The decline is

attributable mainly to gradual shrinkage of ADF fund.

The ADB assistance for the current year is being spent for projects on rural electrification, coastal green-belt, small-scale water resource, secondary town infrastructural development, non-formal education and command area development.

US welfare bill may put million children in poverty

WASHINGTON, Oct 29: A senate welfare reform bill, which is endorsed by the White House, could plunge a million children into poverty, according to an early estimate by the Department of Health and Human Services (HHS), says Xinhua.

President Bill Clinton has seen some of the preliminary numbers and is concerned about them, and wants to get the facts, according to White House Press Secretary Mike McCurry.

The HHS estimates surfaced Friday, after Senator Daniel Patrick Moynihan, criticised the White House for refusing to release a HHS report on the impact of the senate legislation on children.

The Senate's foremost welfare experts said earlier this week, just how many millions of infant's we will put to the sword is not yet clear.

On Friday, McCurry said various agencies were still analysing the Senate bill, which was passed last month. The administration will not provide estimates or analyses that are less than accurate and less than complete, he said.

Frozen food exporters seek subsidy

KHULNA, Oct 29: Bangladesh Frozen Food Exporters Association urged the government to provide subsidy so that they can cover their loss incurred this year, reports UNB.

The association at a press conference at local Press Club yesterday said that the frozen food industries of the region are now facing crisis.

Convener of the Association Ferdous Alam Farayez read out a written statement at the press conference.

They said that shrimp price in international market has decreased by one to two dollars per pound following devaluation of yen against US dollar.

Besides, frequent hartal disrupted the export following which frozen shrimp worth about Tk 350 crore at about 40 factories of the region has remained stockpiled since July this year.

Shrimp worth about 1300 crore was exported in the first nine months of this calendar year. But if the present situation continues, the export might decrease causing huge loss to them, they said.

Workshop on wood fuel output ends

GAZIPUR, Oct 29: The five-day long sub-regional workshop on "Integrating wood fuel production in the implementation of agriculture, forestry and rural extension programme in South Asia" concluded here yesterday, reports BSS.

Secretary of the Ministry of Environment and Forests Syed Marghub Murshed was the chief guest at the concluding function which was presided over by deputy chief conservator of forests M A Sattar.

During the period, experts and participants stressed on people's awareness about increased afforestation to meet the growing need for fuel.

Agriculture, forestry and rural energy sources camp up prominently in course of discussion during the period.

They, however, observed that desertification was now the concern of all the countries in South Asia where most of the fuel energy was coming from outside the forests.

Tara Bhattacharjya, a specialist of the regional wood energy development programme based in Bangkok who conducted the workshop, called for participatory agro-forestry in South Asia.

The concluding function was also addressed by Joint Secretary of the ministry Ali Akbar Bhuian and Dr Hari Mohan Behl, a participant of the workshop.



FBCI President Salman F Rahman and leader of the visiting South Korean delegation Hihak Sung, seen signing an agreement for encouraging investment at Hotel Sonargaon in the city yesterday. M Morshed Khan, Special Envoy of the Prime Minister (L), also seen in the picture. — Star photo

Fish output rises to 1.18 million tons in '94, says Noman

Minister for Fisheries and Livestock Abdullah Al-Noman yesterday said the present government was very much keen to develop the fisheries resources of the country, reports BSS.

"We are pursuing all measures to exploit our fisheries resources both inland and marine," the Minister said while inaugurating a national workshop on "fisheries resources development and management" at a local hotel.

Underpinning the need for adopting select programmes for making maximum utilisation of fisheries resources, Noman said "we are shifting from captured fish to cultured fish policies."

He said Bangladesh is relatively rich in both inland and marine fisheries having about 4.05 million hectares of open water fisheries, 0.15 million hectares of close water fisheries and a coast line of 480 kilometres with vast marine water resources.

The minister said the country's fish production had increased to 1.18 million tons in 1994 from 0.73 million tons in 1983 reflecting a steady annual growth of seven per cent.

The four-day workshop organised by Ministry of Fisheries and Livestock in collaboration with Food and Agriculture Organisation (FAO) and the Overseas Development Agency (ODA) of the United Kingdom is aimed at creating further awareness, understanding among the policy makers, planners, researchers, administrators and fish farmers about the potentials, prospects and constraints of the sector.

It also aims at promoting new ideas, approaches and strategies for further devel-

opment of fisheries resources on a sustainable basis.

Secretary of the Ministry of Fisheries and Livestock A H Mofazzal Karim, Resident Representative of the FAO S S Rehki and ODA Representative Neil Macpherson also addressed the inaugural session.

The workshop will also identify new project ideas and initiate preparation of specific project proposals with indication of fund requirements and sources.

Referring to the important role played by fisheries in the

national economy, Noman pointed out that the contribution of the sector to GDP now stood at 4.71 per cent, to export earnings 12 per cent and to employment 10 per cent.

He said about 12 million people were directly or indirectly engaged in fishing or fisheries related activities and the sector was emerging as the third largest foreign exchange earning sector. It is also playing a vital role in alleviating rural poverty and creating employment in the rural areas, the Minister added.

WB network on bank projects in Third World

WASHINGTON, Oct 29: The World Bank has announced a new network of retired senior advisers from business, government and academia to help provide technical and managerial assistance of Bank projects in developing countries, says a USIS press release.

The new organization, the Senior Volunteer Advisory Services (SVAS), brings together the resources of nine existing non-profit organizations in offering the services of over 32,000 senior advisers. The nine organizations participating in SVAS come from Australia, Austria, Canada, France, Germany, Italy, the Netherlands, United Kingdom and the United States.

The service organizations want to foster partnerships between retired experts with necessary skills and their clients in developing countries, World Bank officials

said. Launching the new programme October 25, Jean-Francois Rischard, World Bank vice president for finance and private sector development, said that senior volunteers will provide the Bank more flexibility in developing its programmes.

"It will give businesses in developing countries not only access to a wealth of international management experience, but also the chance for these businesses to develop long-term relationships with experts in their particular industry," Rischard said.

World Bank officials stressed that SVAS is one element of a new orientation in the World Bank toward results rather than reports. SVAS seeks to utilize the skills and knowledge of retired professionals from developed countries to aid officials and businessmen in the developing world.

Kuwait privatises 22 businesses

KUWAIT CITY, Oct 29: Kuwait has sold its interests in 22 Kuwaiti businesses for a total of a billion dollars as part of its ambitious privatisation programme, a senior official announced yesterday, reports AFP.

Ali Rashi Al-Badr, head of the Kuwaiti Investment Authority (KIA), said the programme launched in July, 1993 and due to continue until 1998 had "contributed to bringing capital back into the country."

He said the bank deposits had "reached 5.48 million Kuwaiti dinars (17.5 million dollars) in June, 1994 and 6.14 dinars (19.5 million dollars) in August, 1995." The central bank had also "witnessed a fall in the flight of capital abroad."

Kuwait launched the plans to refill the Gulf Emirate's coffers badly depleted by the

Iraqi invasion in August, 1990 and the reconstruction needed after the seven-month occupation.

It estimated that the privatisation would bring in four billion Kuwaiti dinars (13.2 billion dollars).

The KIA, a public holding which manages Kuwaiti goods, also announced a transfer of the state's shares in 64 companies worth a total of 800 million Kuwaiti dinars (2.4 billion dollars).

Badr said the measures taken to reduce Kuwait's losses abroad had "so far produced encouraging results," but refused to give details.

The Kuwait Investment Office, which runs Kuwait funds abroad, was hit by a series of swindles and bad management of its investments which led to a loss of five billion dollars in Spain.

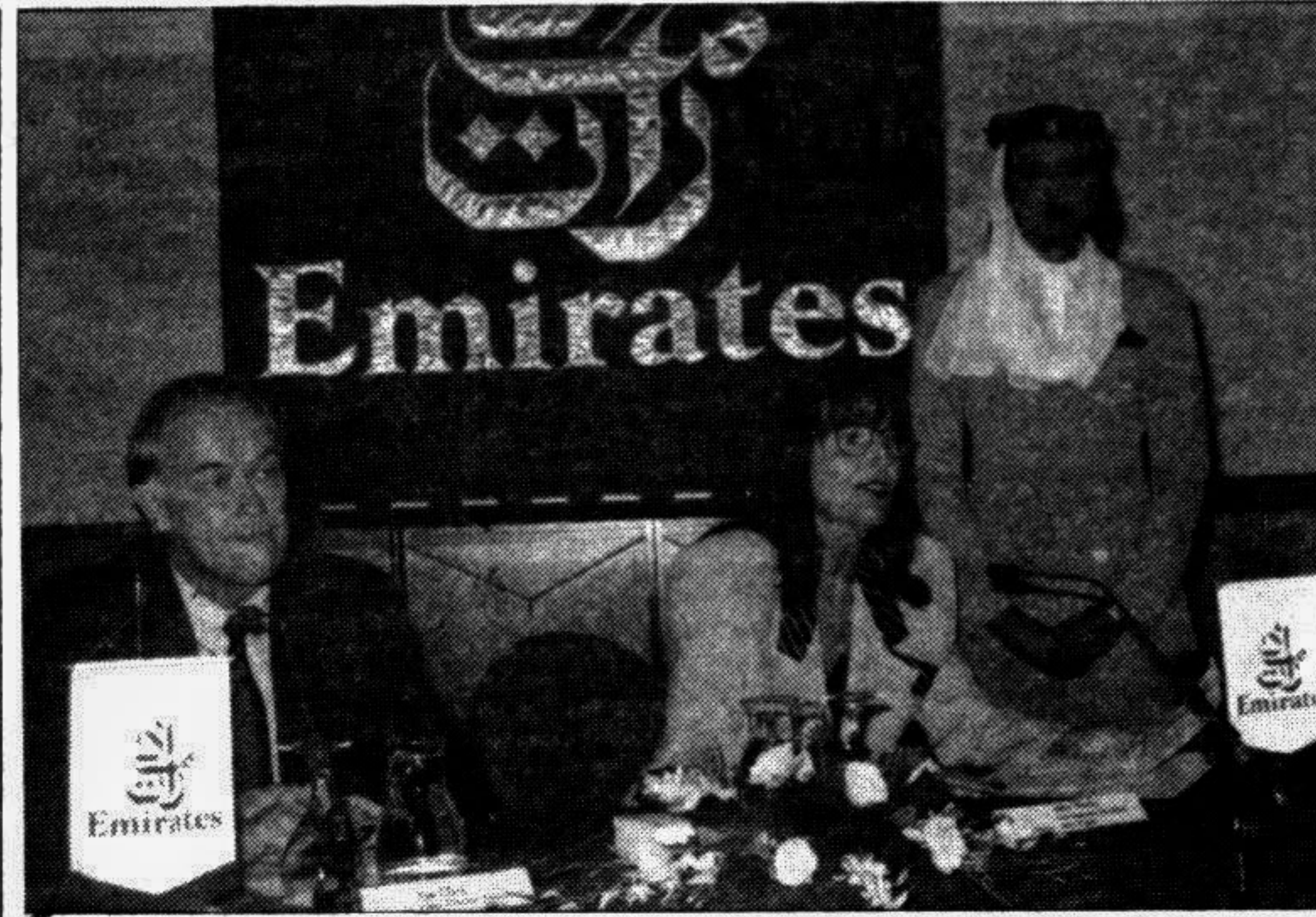
BIBM course on int'l trade, forex concludes

An 18-day training course on 'International Trade and Foreign Exchange' concluded yesterday at the Bangladesh Institute of Bank Management (BIBM), says a press release.

A H M Nurul Islam Choudhuri, Director General of BIBM, presided over the concluding session of the course and distributed certificates among the participants.

In his brief speech, he underscored the role of international trade and foreign exchange in Bangladesh economy.

He advised the participants to utilise their knowledge and skill acquired from the course so as to serve their respective institutions in most modern and efficient manner and thus ensure country's economic development.



Miss World '95 contest is scheduled to be held on December 18 at the Sun City of South Africa, solely sponsored by Emirates. Picture shows Julia Morley, President of Miss World '95 pageant, addressing a press conference at the Forte Grand Jumeira Beach, UAE recently to mark the occasion. Tim Clark, Chief Director (Airline) of Emirates, seen on her right. — Star photo by A K M Mohsin

Prices of tea, sugar up, cotton down, gold steady over week

LONDON, Oct 29: The price of rubber bounced back strongly this week, ending long weeks of depression to reach the highest point since July, reports AFP.

This spectacular and somewhat unexpected recovery was due to lower exports from Southeast Asia, a major producing region, British traders explained.

One dealer said that certain growers from the three top exporters, Thailand, Malaysia and Indonesia, had deliberately held back sales to boost flagging prices.

As spectacular was nickel's surge on the London Metal Exchange (LME), which pushed the metal up to a two-month high on the back of limited supplies.

Sugar, meanwhile, pursued its course towards new heights. Traders now fear that the Indian summer across Europe will delay harvesting and supplies.

On the other commodities markets, calm reigned. The precious metals, like crude oil, advanced steadily in the absence of fresh news.

GOLD: Steady. The price of metal remained steady, fluctuating modestly around 382 dollars per ounce, little moved by the turbulence on the foreign exchange markets and by silver's mini rally.

SILVER: Recovery. Silver recovered by a few cents to 5.40 dollars per ounce, after speculative buying by a number of investment funds.

This renewed investor interest was due to a fall in stocks on the New York market, dealers said.

PLATINUM: Progress. After its plunge last week, the metal recovered some

ground to 413 dollars per ounce but remained under pressure. A small rise in the dollar affected buying in Japan, the world's largest platinum importer.

COPPER: Rise. The price of the metal advanced as the physical market became tighter. Ever-decreasing supplies and robust demand pushed the cash price 100 dollars above the reference three-month price, which itself rose above 2,700 dollars per tonne.

However, analysts foresee a fall in prices because of growing output, which will translate into higher stocks of refined copper from now until mid-1996.

According to the trading house Rudolf Wolff, the price of metal will retreat to an average of 2,500 dollars per tonne in 1996, from an average of 2,904 in the first three quarters of 1995.

Stocks of the metal fell by 9,400 tonnes to 190,950.

LEAD: Higher. Speculative buying and a seasonal rise in demand combined to push the metal up by over thirty dollars to 680 dollars per tonne.

According to one trader, this marked a logical upward correction for the metal, which had been undervalued. The limited supplies of good quality lead continue to support the market, and autumn is traditionally a period of strong demand for lead.

It is at this time that the car battery plants — the main destination for the metal — operate at full capacity ahead

of winter in the northern hemisphere, when motorists replace their car batteries.

Stocks on the LME fell by 6,000 tonnes to 194,375.

ZINC: Steady. The metal held steady around 990 dollars per tonne, little influenced by copper's recovery and nickel's surge.

According to Rudolf Wolff, the prospects are good for the metal, which despite large stocks is supported by "robust" demand and limited output in Japan. Prices are likely to reach 1,150 dollars per tonne in 1996 from 1,062 dollars in the first nine months of 1995.

LME stocks fell by 6,255 tonnes to 723,625.

ALUMINIUM: Rise. The price of the metal advanced modestly, by around 10 dollars to 1,680 dollars per tonne, on the back of copper's gains and on some industrial buying.

According to trading house Rudolf Wolff, aluminium is likely to remain relatively high in 1996 at an average 1,850 dollars per tonne, from an average 1,878 dollars in the first nine months of 1995.

With a rise in consumption of two per cent and severely depleted stocks since the onset of the output limit plan in February 1994, the market will remain affected by chronic supply shortages all next year.

In the short-term, once the "psychological shock" of the recent announcement of higher output in the west has passed, prices will begin to

advance strongly.

Stocks on the LME fell by 3,475 tonnes to 530,975.

NICKEL: Surge. The price of the metal went through the roof, climbing 500 dollars to 8,600 dollars per tonne, after heavy speculation and industrial buying, with supplies of the metal apparently very limited now.

According to Rudolf Wolff, the nickel market is likely to become even more dependent on Russian exports than before. Western stocks will plunge and the 190,000 tonnes produced in the former Soviet Union will be crucial to western stainless steel manufacturers.

Any shortfall in Russian exports would push prices up sharply. These are likely to peak at around 9,000 dollars in 1996, from 8,373 dollars in the first three quarters of 1995.

Stocks on the LME fell by 1,974 tonnes to 52,116.

TIN: Calm. The metal remained steady around 6,250 dollars per tonne, the same level as last week.

According to Rudolf Wolff, the price of tin will rise to 6,500 dollars per tonne in 1996 from 6,192 dollars for the first nine months of 1995, because of a lack of supply.

LME stocks declined by 595 dollars to 14,025.

OIL: Uncertain. The price of North Sea Brent crude oil began the week by falling to 15.75 dollars per barrel, a low since October, on rumours of possible oil sales by Iraq.

These fears surfaced after Iraqi President Saddam Hussein announced a rise in food rations distributed among his country's population.

Traders feared that in order to ease the food situation, Baghdad had decided to sell part of its oil under the auspices of the United Nations.

But these market rumours quickly dissipated and the price of crude oil recovered on the continued threat hanging over Brazilian production.

Workers at Petrobras are still engaged in litigation with the state-owned company, which could paralyse output once again, like a few months ago.

The market was also supported by a rise in gas prices, caused by the seasonal boost in demand before the onset of cold weather in the northern hemisphere.

RUBBER: Climb. The reference price climbed by over 30 pence.

The region, which produces three-quarters of the world's rubber output, has cut back on its slabs over the past few weeks, in order to boost prices, one London trader said.

The high level of world prices since 1994 has enabled Asian producers to improve their revenues. They now have sufficient means to allow themselves to delay exports to await higher prices, the trader explained.

Heavy rains have also limited output in Thailand and Malaysia, he added.

COFFEE: Paradox. The market wrongfooted analysts this week, by weakening at a time when coffee stocks in consumer countries are at record lows.

Early in the week, the New York market announced a record fall of more than 100,000 sacks (60 kilograms each) in its stocks. At this rate, within three weeks there will be no supplies of green coffee left on the market, the trading house GNI said.

But the market shrugged the news off, and after a brief rally fell back. Prices, lost a couple of dollars to around 2,325 dollars per tonne.

COCOA: Firm. The price of cocoa performed well, advancing over 10 pounds to 950 pounds per tonne, traders were relieved that presidential elections in the Ivory Coast — the number one world exporter — took place relatively calmly.

The reelection of Henri Konan Bedie proceeded without major disturbances.

TEA: High. The auction market in London remained on an upward trend this week. The price for medium-price teas advanced to 125 pence per kilogram owing to the arrival of good-quality leaves from India and Africa.

SUGAR: Rally. Prices shot up after heavy speculative buying, reaching 333 dollars per tonne, a high since April 1995.

This sudden rise was attributed by some traders to warm weather in northern Europe, which has prompted

sugar farmers to delay harvesting to the maximum to increase the yield of their sugar beet crop.

Supplies of refined sugar will be late as a result, which will worsen the relative shortage of sugar supplies on the European markets already in evidence for the past year, they said.

Another factor is the threat of strike action next month by Dockers in Brazil, one of the world's largest producers, which could bring the country's exports to a halt.

VEGETABLE OILS: Decline. The price of vegetable oils on the Rotterdam market declined, dragged down by falling soy prices in Chicago, themselves affected by a weak cereal market.

Soya lost around two guilders to 100 guilders per 100 kilograms. Sunflower oil declined by 10 dollars to 710 dollars per tonne and rape seed fell by two guilders to 93 guilders per 100 kilograms.

Meanwhile, palm oil fell by five dollars to 620 dollars per tonne after profit-taking and thin trading depressed the Kuala Lumpur market. Groundnut oil alone bucked the trend, rising 10 dollars to 1,000 dollars per tonne.

GRAINS: Higher. Although trading remained subdued on European markets, the shortage of grain supplies pushed prices slightly higher.

In London, wheat rose two pounds to more than 120 pounds per tonne, while barely held steady around 110 pounds per tonne.

But on the Chicago market, prices retreated from last week's heights on profit-taking, dealers said. Exports are continuing at a healthy rate, with several hundred thousand tonnes of corn destined for the Far East, they added.

The market remains concerned about the next winter wheat harvest in the United States, with the ground currently too dry for seeding, which is due to take place now in the great plains.

A mediocre 1996 harvest in the United States — the world's biggest exporter — would be bad news for world food supplies.

Wheat stocks are already at very low levels, after a series, of poor wheat and corn crops across the world this year.

COTTON: Fall. Prices on the physical market continued their steady decline, with the cotton outlook price indicator falling by one cent to 89 cents per pound.

Some traders said weak buying was to blame, but others attributed this "downward" trend to forecast of a bumper harvest in the United States, which is the world's largest producer. According to an official report, half of this year's crop has already been harvested, which is ahead of the usual schedule.

WOOL: Stable. The reference price on the British market stabilised after earlier losses, holding steady at 447 pence per kilogram.

This was due to the return by Chinese buyers to the Australian market, after months of absence, which halted the fall.